



# Senate

General Assembly

**File No. 68**

January Session, 2013

Senate Bill No. 927

*Senate, March 20, 2013*

The Committee on Labor and Public Employees reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING THE DEFINITION OF NEW EMPLOYEE IN THE UNEMPLOYED ARMED FORCES MEMBER SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-3uu of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) For purposes of this section:

4 (1) "Department" means the Labor Department;

5 (2) "Eligible business" means a business that (A) has operations in  
6 Connecticut, (B) has been registered to conduct business for not less  
7 than twelve months, and (C) is in good standing with the payment of  
8 all state and local taxes;

9 (3) "Control", with respect to a corporation, means ownership,  
10 directly or indirectly, of stock possessing fifty per cent or more of the  
11 total combined voting power of all classes of the stock of such

12 corporation entitled to vote. "Control", with respect to a trust, means  
13 ownership, directly or indirectly, of fifty per cent or more of the  
14 beneficial interest in the principal or income of such trust. The  
15 ownership of stock in a corporation, of a capital or profits interest in a  
16 partnership, limited liability company or association or of a beneficial  
17 interest in a trust shall be determined in accordance with the rules for  
18 constructive ownership of stock provided in Section 267(c) of the  
19 Internal Revenue Code of 1986, or any subsequent corresponding  
20 internal revenue code of the United States, as from time to time  
21 amended, other than paragraph (3) of said Section 267(c);

22 (4) "Related person" means (A) a corporation, limited liability  
23 company, partnership, association or trust controlled by an eligible  
24 business, (B) an individual, corporation, limited liability company,  
25 partnership, association or trust that is in control of an eligible  
26 business, (C) a corporation, limited liability company, partnership,  
27 association or trust controlled by an individual, corporation, limited  
28 liability company, partnership, association or trust that is in control of  
29 an eligible business, or (D) a member of the same controlled group as  
30 an eligible business;

31 (5) "New employee" means a person who (A) was unemployed prior  
32 to employment with an eligible business, regardless of whether such  
33 person collected unemployment compensation benefits as a result of  
34 such unemployment, and (B) was a member of the armed forces and  
35 was [called to active service in support of (i) Operation Enduring  
36 Freedom, or (ii) military operations that were authorized by the  
37 President of the United States that entail military action against Iraq,  
38 and (C) was] honorably discharged after not less than ninety days of  
39 service, [in an area designated by the President of the United States by  
40 executive order as a combat zone, as indicated on a military discharge  
41 document, as defined in section 1-219,] unless such person was  
42 separated from service earlier because of a service-connected disability  
43 rated by the Veterans' Administration. "New employee" does not  
44 include a person who was employed in this state by a related person of  
45 such eligible business during any of the twelve months prior to

46 employment with the eligible business;

47 (6) "On-the-job training" means training provided by an eligible  
48 business on such business' premise; and

49 (7) "Armed Forces" means the United States Army, Navy, Marine  
50 Corps, Coast Guard and Air Force and any reserve component thereof,  
51 including a state National Guard performing duty as provided in Title  
52 32 of the United States Code.

53 (b) (1) There is established within the Labor Department an  
54 Unemployed Armed Forces Member Subsidized Training and  
55 Employment program for eligible businesses. Said program shall  
56 provide grants to eligible businesses to subsidize, for the first one  
57 hundred eighty calendar days after a new employee is hired, part of  
58 the cost of on-the-job training and compensation for such new  
59 employee, in accordance with subsection (c) of this section. No  
60 business receiving a grant under this section with respect to a new  
61 employee may receive a second grant under this section or a grant  
62 under section 31-3pp with respect to the same new employee.

63 (2) At the discretion of the Labor Commissioner, the department  
64 may use up to four per cent of any funds allocated pursuant to section  
65 31-3vv for the purpose of retaining outside consultants or the  
66 Workforce Investment Boards to operate the Unemployed Armed  
67 Forces Member Subsidized Training and Employment program.

68 (3) In fiscal year 2013, the department may use up to four per cent of  
69 any funds allocated pursuant to section 31-3vv in said fiscal year for  
70 the purpose of the marketing and operation of the Unemployed  
71 Armed Forces Member Subsidized Training and Employment  
72 program.

73 (c) (1) An eligible business may apply to the department for a grant  
74 to subsidize on-the-job training and compensation for a new employee  
75 hired by such business. The Labor Commissioner, or said  
76 commissioner's designee, shall review and approve such business'

77 description of the proposed on-the-job training as part of the grant  
78 application.

79 (2) A grant awarded to an eligible business pursuant to this  
80 subsection shall be in the following amount: (A) For the first thirty  
81 calendar days a new employee is employed, one hundred per cent of  
82 the wage of such new employee, exclusive of any benefits, not to  
83 exceed twenty dollars per hour; (B) for the thirty-first to ninetieth,  
84 inclusive, calendar days, seventy-five per cent of such amount; (C) for  
85 the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty  
86 per cent of such amount; and (D) for the one hundred fifty-first to one  
87 hundred eightieth, inclusive, calendar days, twenty-five per cent of  
88 such amount. A grant shall be cancelled as of the date the new  
89 employee leaves employment with the eligible business.

90 (d) Not later than July 15, 2013, and annually thereafter, and January  
91 15, 2014, and annually thereafter, the Labor Commissioner shall  
92 provide a report, in accordance with the provisions of section 11-4a, to  
93 the joint standing committees of the General Assembly having  
94 cognizance of matters relating to finance, revenue and bonding,  
95 appropriations, commerce, veterans and labor. Said report shall  
96 include available data, for the six-month period ending on the last day  
97 of the calendar month preceding such report, on (1) the number of  
98 businesses that participated in the Unemployed Armed Forces  
99 Member Subsidized Training and Employment program established  
100 pursuant to subsection (b) of this section, and the general categories of  
101 such businesses, and (2) the number of individuals that received  
102 employment under said program.

103 (e) The Labor Commissioner may adopt regulations in accordance  
104 with the provisions of chapter 54 to carry out the provisions of this  
105 section.

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| This act shall take effect as follows and shall amend the following sections: |  |  |
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| Section 1 | October 1, 2013 | 31-3uu |
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**LAB**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which expands eligibility for the Unemployed Armed Forces Subsidized Training and Employment Program, has no fiscal impact as it does not alter the bond authorization that funds the program.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****SB 927*****AN ACT CONCERNING THE DEFINITION OF NEW EMPLOYEE IN THE UNEMPLOYED ARMED FORCES MEMBER SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM.*****SUMMARY:**

This bill expands eligibility for the state's Unemployed Armed Forces Subsidized Training and Employment Program to include all unemployed, honorably discharged U.S. armed forces members who served for at least 90 days. Current law limits eligibility to unemployed, honorably discharged U.S. armed forces members who served for at least 90 days in a combat zone in Afghanistan or Iraq. The 90-day requirement does not apply if the veteran was separated from service due to a service-related disability rated by the Veterans' Administration.

The state Department of Labor administers the Unemployed Armed Forces Subsidized Training and Employment Program, which offers wage subsidies and training grants to certain employers that hire eligible unemployed veterans.

EFFECTIVE DATE: October 1, 2013

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 11 Nay 0 (03/07/2013)